

APPENDIX 2

QUESTIONS AND ANSWERS

AMENDMENTS TO THE MAIN MARKET LISTING REQUIREMENTS ("MAIN LR") IN RELATION TO
NEW ISSUE OF SECURITIES AND OTHER AREAS

CHAPTER 2 – GENERAL

Special auditor

2.28 Must a listed issuer only appoint an auditor as defined under paragraph 1.01 of the Main LR¹ as the special auditor under paragraph 2.24 of the Main LR?

No. The requirement under paragraph 2.24(2) of the Main LR is not limited to just an auditor who is a registered auditor or recognised auditor under section 31O of the Securities Commission Malaysia Act 1993. A listed issuer may appoint any person with the relevant expertise on the subject matter under review or investigation as the special auditor.

2.29 What should a listed issuer consider when assessing whether the person appointed as a special auditor has the relevant expertise on the subject matter under review or investigation pursuant to paragraph 2.24(2) of the Main LR?

When considering whether a person has the relevant experience on the subject matter under review or investigation, a listed issuer may, among others, take into account the person's requisite industry knowledge, competence, and work experience on such subject matter.

CHAPTER 6 – NEW ISSUE OF SECURITIES

Quarterly announcements in relation to placement exercise on staggered basis and additional details relating to utilisation of proceeds

6.14A The facts in relation to the illustration below are as follows:

- **On 6 January 2025, E Bhd announces that it is undertaking a proposed private placement of 100 million new ordinary shares representing up to 10% of its issued share capital to be issued in stages over a period of time. Based on the indicative issue price of RM0.185 per placement share, the proposed private placement is expected to raise gross proceeds of approximately RM18.5 million. E Bhd intends to utilise the proceeds from the proposed private placement as follows:**

¹ This refers to an auditor who is registered as a registered auditor or recognised as a recognised auditor under section 31O of the Securities Commission Malaysia Act 1993.

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<u>Purpose</u>	<u>Proposed Utilisation (RM'000)</u>	<u>Expected timeframe for utilisation</u>
<u>(i) Repayment of bank borrowings</u>	<u>5,000</u>	<u>4 months</u>
<u>(ii) Land acquisition and construction of workers' quarters</u>	<u>13,500</u>	<u>18 months</u>

- E Bhd has a financial year ending 31 December.
- On 5 May 2025, E Bhd issues 50 million placement shares at RM0.18 each as the first stage of the placement exercise. Upon placement, E Bhd immediately announces the number and issue price of the placement securities. Out of the RM9 million proceeds raised, E Bhd utilises RM5 million to repay its bank borrowings in full. The remaining proceeds of RM4 million earmarked for the land acquisition and construction of workers' quarters are invested in a unit trust scheme managed by a licensed fund manager pending utilisation.
- On 6 August 2025, E Bhd issues another 50 million placement shares at RM 0.19 each amounting to the balance of the placement shares. Upon placement, E Bhd immediately announces the number and issue price of the placement securities. The entire RM9.5 million proceeds raised are kept in an interest-bearing deposit account with a licensed financial institution pending utilisation for the land acquisition and construction of workers' quarters.
- On 15 October 2025, E Bhd enters into a sale and purchase agreement for the acquisition of a parcel of land for the purpose of the workers' quarters at a purchase consideration of RM8 million.
- In May 2026, the remaining RM5.5 million proceeds are utilised to complete the construction of the workers' quarters. With this, the entire proceeds raised from this placement exercise are fully utilised.
- (a) Paragraph 6.07(2)(b) of the Main LR stipulates that where a listed issuer is undertaking an issuance and placement of securities in stages over a period of time, the listed issuer must, upon placement of the securities, commencing from the first placement until completion of the placement, announce the following information on a quarterly basis in respect of each staggered issuance, simultaneously with the announcement of the quarterly report -
 - the price-fixing date and issuance date;
 - the number of securities issued and allotted;
 - the issue price and basis of determining the issue price; and

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- the aggregate number of securities issued and allotted pursuant to the placement at the end of each quarter.

Based on the facts above, how does E Bhd comply with this requirement?

As there is no issuance of placement securities in the first quarter of 2025, E Bhd must make its first quarterly announcement simultaneously with the announcement of its second quarterly report for the financial period ending 30 June 2025 as follows:

<u>Quarter period</u>	<u>Tranche</u>	<u>Price-fixing date</u>	<u>Issuance date</u>	<u>No. of shares issued & allotted</u>	<u>Issue price & basis</u>
<u>Quarter ended 30 June 2025</u>	<u>First</u>	<u>14 April 2025</u>	<u>5 May 2025</u>	<u>50,000,000</u>	<u>RM0.18¹</u>
<u>Total No. of Shares Issued & Allotted</u>				<u>50,000,000</u>	

Note (1) Represents discount of 10% to the 5-day volume weighted average market price of the shares immediately preceding the price-fixing date of RM0.20.

In the next quarterly announcement simultaneously with its third quarterly report for the period ending 30 September 2025, E Bhd must disclose the prescribed information for the following stage as follows:

<u>Quarter period</u>	<u>Tranche</u>	<u>Price-fixing date</u>	<u>Issuance date</u>	<u>No. of shares issued & allotted</u>	<u>Issue price & basis</u>
<u>Quarter ended 30 June 2025</u>	<u>First</u>	<u>14 April 2025</u>	<u>5 May 2025</u>	<u>50,000,000</u>	<u>RM0.18¹</u>
<u>Quarter ended 30 September 2025</u>	<u>Second & Final</u>	<u>17 July 2025</u>	<u>6 August 2025</u>	<u>50,000,000</u>	<u>RM0.19²</u>
<u>Total No. of Shares Issued & Allotted</u>				<u>100,000,000</u>	

Notes:

⁽¹⁾ *Represents discount of 10% to the 5-day volume weighted average market price of the shares immediately preceding the price-fixing date of RM0.20.*

⁽²⁾ *Represents discount of 10% to the 5-day volume weighted average market price of the shares immediately preceding the price-fixing date of RM0.21.*

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E Bhd must also immediately announce the completion of the placement exercise under paragraph 9.19(47)(g) of the Main LR on the issuance date of the final tranche of placement exercise i.e. 6 August 2025. After this, no further quarterly announcement under paragraph 6.07(2)(b) of the Main LR is required.

(b) In the case of a new issue of securities for fund-raising purposes, a listed issuer must, under paragraph 6.07A(1) and (2) of the Main LR, announce, simultaneously with the announcement of the quarterly report, the status and details relating to utilisation of proceeds on a quarterly basis and must include the following: –

- the details of the projects, initiatives or purposes funded by the proceeds, together with their status or progress; and
- the unutilised proceeds, if any, including how the listed issuer has dealt with such proceeds pending utilisation.

Based on the same facts as Question 6.14A above, what is *E Bhd* expected to disclose pursuant to paragraph 6.07A of the Main LR?

E Bhd must disclose information which provides shareholders with greater insights on the utilisation of the funds raised and include the description, particulars and key milestones of the projects, initiatives or purpose funded by the proceeds raised.

Hence, in announcing the details of the initiatives or purposes funded by the proceeds together with the status or progress, *E Bhd* should, as a minimum, disclose the following:

- with regard to the repayment of bank borrowings in Question 6.14A(i) above, the announcement should include information on the bank borrowings such as the types of banking facilities and the interest rate; and
- with regard to the land acquisition and construction of workers' quarters in Question 6.14A(ii) above, the announcement should include the location of the land and status of the acquisition, status of relevant approvals required and stages of construction such as commencement of construction works or percentage of completion of the construction.

As for how the unutilised proceeds are dealt with, *E Bhd* is required to disclose that RM4 million from the proceeds are invested in a unit trust scheme managed by a licensed fund manager and that RM9.5 million of the proceeds are kept in an interest-bearing account maintained with a licensed financial institution.

E Bhd must make its first quarterly announcement pertaining to the utilisation of the proceeds above simultaneously with the announcement of its second quarterly report since the proceeds were raised in May 2025 and continue to provide quarterly announcements until the proceeds are fully utilised.

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After E Bhd has fully utilised the proceeds in May 2026, E Bhd must make the final announcement on this simultaneously with the second quarterly report in 2026. After that, E Bhd is no longer required to provide the quarterly updates as per paragraph 6.07A(3) of the Main LR.

Requirements relating to placement

6.15A Under paragraph 6.15(1)(a)(vi) of the Main LR, the Recognised Principal Adviser must submit to the Exchange, among others, details of the source of funds for the payment of the securities placed to each placee, as part of the final list of placees' details ("placees' list"). In this regard, what are the details that the Recognised Principal Adviser must provide in the placees list?

A Recognised Principal Adviser is required to disclose and confirm how the placees intend to fund the subscription of the placement securities. For example, whether it is from the placee's personal funds or savings, or any credit facilities, loan or borrowings obtained from a bank, financial institution or third party.

6.15B Under paragraph 6.15(1)(b)(ii) of the Main LR, the Recognised Principal Adviser must confirm that to the best of its knowledge and belief, after having taken all reasonable steps and made all reasonable inquiries, the subscription by each placee commensurate with the placee's financial standing.

(a) What does placee's "financial standing" refer to?

Placee's financial standing refers to the financial strength, financial rating, status or net worth of the placee as evidenced through, among others, the placees' assets and liabilities, savings in bank accounts, record of salary payments, income or revenue and etc.

(b) What is expected from a Recognised Principal Advisor when providing the confirmation that the subscription by each placee commensurate with the placee's financial standing?

The Recognised Principal Adviser, being the key adviser for the placement exercise, is responsible for the listing application and submission of information to the Exchange. This includes conducting due diligence over the placees. Based on the customer due diligence findings and other details of the placee provided as part of the placees list (such as the source of funds, occupation/principal activities, income etc), the Recognised Principal Adviser must assess and determine whether the placee has the capacity to subscribe for the placement securities as well as whether the subscription by the placee is reasonable or appropriate with reference to the placee's financial standing. This is to ensure the genuineness and independence of the placees.

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6.15C Under paragraph 6.15(1)(a)(viii) of the Main LR, a Recognised Approved Adviser must include details² of the ultimate beneficial owner of the securities placed to each placee, in the placees' list.

How does the Recognised Approved Adviser determine who is the "ultimate beneficial owner" of the securities placed to each placee for purposes of paragraph 6.15(1)(a)(viii) of the Main LR?

"Ultimate beneficial owner" of the securities placed to each placee is defined in paragraph 6.15(3) of the Main LR as follows:

- (a) a person who –
 - (i) is recorded as a beneficial owner in the register of beneficial owners of the placee or the listed issuer or both, as the case may be, pursuant to section 60B of the Companies Act; or
 - (ii) has or will become a beneficial owner of the placee or the listed issuer or both, as the case may be, pursuant to section 60A of the Companies Act arising from the subscription of the placement securities; and
- (b) in the case of an authorised nominee, both the beneficial owner of the securities account and the ultimate beneficial owner of the placement securities held by the authorised nominee. For this purpose, "authorised nominee" and "beneficial owner" shall have the meaning given in Rule 1.01 of the Rules of the Depository³, and "ultimate beneficial owner" has the meaning given in subparagraph (a) above.

The table below sets out some examples illustrating who the ultimate beneficial owner(s) are pursuant to paragraph 6.15(3) of the Main LR and whether disclosure is required under paragraph 6.15(1)(a)(viii) of the Main LR:

<u>No.</u>	<u>Illustrations</u>	<u>Ultimate beneficial owner of the placement securities ("UBO")</u>	<u>Disclosure of UBO Details in Placee List</u>
(a)	The placement securities are subscribed by Mr. A and held directly in his own securities account.	Mr. A is not the UBO of the listed issuer under paragraph 6.15(3)(a) of the Main LR as he is not recorded in the register of	No disclosure is required under paragraph 6.15(1)(a)(viii).

² The details required are the names, home or business addresses, identity card/passport/company registration numbers, occupations/principal activities and securities account numbers, of the ultimate beneficial owners.

³ "Authorised nominee" as defined in Rule 1.01 of the Rules of the Depository means a person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under part VIII. "Beneficial owner" as defined in Rule 1.01 of the Rules of Bursa Malaysia Depository Sdn Bhd means in relation to deposited securities, the ultimate owner of the deposited securities who is entitled to all rights, benefits, powers and privileges and is subject to all liabilities, duties and obligations in respect of, or arising from, the deposited securities and does not include a nominee of any description.

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No.	Illustrations	Ultimate beneficial owner of the placement securities ("UBO")	Disclosure of UBO Details in Placee List
	Mr. A is not recorded as a beneficial owner of the listed issuer in the register of beneficial owners.	<u>beneficial owners of the listed issuer.</u>	
(b)	- The placement securities are subscribed by Ms. B and held by PQR Nominees (Tempatan) Sdn Bhd acting as custodian for Ms. B. - Prior to the placement exercise, Ms. B is not a beneficial owner of the listed issuer. However, after the placement exercise, her shareholdings in the listed issuer will increase to 21%. She has not been recorded as the beneficial owner of the listed issuer in the register of beneficial owners at the material time.	<u>Ms. B is the UBO of the listed issuer under paragraph 6.15(3)(b) read together with paragraph 6.15(3)(a)(ii) of the Main LR.</u>	<u>Disclosure is required in relation to Ms. B as the UBO of the listed issuer under paragraph 6.15(1)(a)(viii).</u>
(c)	- The placement securities are subscribed by C Sdn Bhd and held directly in its securities account. - C Sdn Bhd has 2 shareholders, Ms. D and Mr. E. Both are recorded as the beneficial owners in C Sdn Bhd's register of beneficial owners.	<u>Ms. D and Mr. E are the UBOs of the placee under paragraph 6.15(3)(a)(i) of the Main LR.</u>	<u>Disclosures are required in relation to Ms. D and Mr. E as UBO of the placee, named C Sdn Bhd under paragraph 6.15(1)(a)(viii).</u>

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No.	Illustrations	Ultimate beneficial owner of the placement securities ("UBO")	Disclosure of UBO Details in Placee List
<u>(d)</u>	- The placement securities are subscribed by <u>F Sdn Bhd</u> and held by <u>XYZ Nominees (Tempatan) Sdn Bhd</u> acting as a custodian for <u>F Sdn Bhd</u>. <u>Mr. G and Ms. H</u> are shareholders of <u>F Sdn Bhd</u>. Both are recorded as the beneficial owners in <u>F Sdn Bhd's</u> register of beneficial owners.	<u>F Sdn Bhd</u> is the beneficial owner of the securities account under paragraph 6.15(3)(b) of the Main LR; and <u>Mr. G and Ms. H</u> are the UBOs of the placee under paragraph 6.15(3)(b) read together with paragraph 6.15(3)(a)(i) of the Main LR.	<u>Disclosures are required in relation to Mr. G and Ms. H as the UBOs of the placee named XYZ Nominees (Tempatan) Sdn Bhd for F Sdn Bhd under paragraph 6.15(1)(a)(viii).</u>

Requirements relating to a Share Issuance Scheme

6.38 Can a listed issuer establish more than 1 Share Issuance Scheme at any point in time?

Yes, a listed issuer may establish more than 1 Share Issuance Scheme provided that the aggregate number of shares available under all the Share Issuance Schemes or all the Share Grant Schemes, if applicable, does not exceed 15% of its total number of issued shares (excluding treasury shares) as per paragraph 8.19 of the Main LR.

CHAPTER 8– CONTINUING LISTING OBLIGATIONS

Interim corporate proposal for listed issuers with inadequate level of operations and PN17 Issuers

8.23A What are the exceptional circumstances where the Exchange may allow an affected listed issuer or a PN17 Issuer to undertake an interim corporate proposal pending regularisation of its condition, under paragraph 8.03A(3A) or paragraph 8.04(3A) of the Main LR respectively?

In considering whether there are any exceptional circumstances, the Exchange would take into account, among others, if there are any extraneous factors which warrant the interim corporate proposal where without such interim corporate proposal, it would adversely affect the affected listed issuer's ability to regularise its condition. For example, based on the specific facts and circumstances, the Exchange may consider allowing a placement exercise by a PN17 Issuer as an interim measure to raise funds expeditiously and pay its creditors to prevent a winding-up.

Employee Share Scheme

8.26A Pursuant to paragraph 8.19 of the Main LR, a listed issuer may implement more than 1 Employee Share Scheme⁴ provided that the aggregate number of shares available under all the schemes does not breach the limit stipulated in paragraph 6.38 (i.e. not more than 15% of its total number of issued shares (excluding treasury shares) at any one time) ("15% limit").

(a) Is a Share Grant Scheme subject to the 15% limit?

Yes, a Share Grant Scheme is now subject to the 15% limit. This means that a listed issuer may establish more than 1 Share Issuance Scheme or Share Grant Scheme pursuant to paragraph 8.19 of the Main LR provided that the aggregate number of shares available under all the schemes does not exceed the 15% limit.

(b) How is the 15% limit calculated?

As the 15% limit is based on the total number of issued shares (excluding treasury shares) at any one time, a listed issuer must use the formula below when computing the 15% limit for its next issue:

$$\frac{(15\% \times \text{total number of issued shares (excluding treasury shares) at the material time for the next issue})}{\text{Total number of shares already issued under the Employee Share Scheme}}$$

Illustration:

On 18 November 2025:

- PLC X procures its shareholder approval to implement a 5-year Employee Share Scheme comprising a Share Issuance Scheme and a Share Grant Scheme, of up to 15% of its total number of issued shares (excluding treasury shares).
- PLC X has a total number of issued shares of 120 million (excluding treasury shares).

On 2 December 2025:

- Arising from a rights issue implemented on 2 December 2025, the total number of issued shares of PLC X is now 150 million (excluding treasury shares).

On 16 December 2025:

- PLC X issues 10 million new shares arising from the exercise of all the options offered by PLC X pursuant to the Share Issuance Scheme and awarded 5 million shares to eligible recipients by way of transfer of shares held in treasury pursuant to the Share Grant Scheme.

⁴ This means either a Share Issuance Scheme, a Share Grant Scheme, or both.

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Under paragraph 8.19 of the Main LR, what is the number of shares under the Employee Share Scheme that can be offered by PLC X to its employees in the year 2026?

Based on the facts above, the computation of the shares under the Employee Share Scheme that may be offered by PLC X is as follows:

	<u>Total Number of Issued Shares (excluding treasury shares)</u>
<u>18 November 2025</u>	<u>120 million</u>
<u>2 December 2025 (Issuance of new shares arising from rights issue -> 30 million)</u>	<u>150 million</u>
<u>16 December 2025 (Total issuance of shares under the Share Issuance Scheme -> 10 million)</u>	<u>160 million</u>
<u>16 December 2025 (Total number of shares awarded under the Share Grant Scheme by way of transfer of shares held in treasury-> 5 million)</u>	<u>165 million</u>

Shares under the Employee Share Scheme that can be offered by PLC X in year 2026:

- (15% x 165 million shares) - 15 million shares (comprising of 10 million shares via
Share Issuance Scheme and 5 million shares via
Share Grant Scheme)
- 24.75 million shares – 15 million shares = 9.75 million new shares

CHAPTER 9 – CONTINUING DISLCOSURE**Periodic disclosures – annual report**

9.50A Under paragraph 27(b) of Appendix 9C, a listed issuer must disclose the prescribed information⁵ relating to an Employee Share Scheme based on categories of participants, in its annual report. What are the categories of participants that must be disclosed under paragraph (27)(b) of Appendix 9C?

The categories of participants of the Employee Share Scheme must be clearly identified and described. The categories should not be broadly stated, for e.g. "other employees" that offers no clarity on the eligible participants. A better categorisation may include directors, senior management, middle management, junior management, executive and non-executive etc.

[End of Appendix 2]

⁵ The information required is date of offer or grant, aggregate options or shares granted (in number and percentage) together with the number of participants during the financial year; aggregate options exercised or shares vested (in number and percentage) together with the number of participants during the financial year; aggregate options or shares outstanding at the beginning and at the end of the financial year; and exercise price or purchase price.